



State of New Jersey  
DEPARTMENT OF HUMAN SERVICES  
DIVISION OF MEDICAL ASSISTANCE AND HEALTH SERVICES

CHRISTINE TODD WHITMAN  
*Governor*

MICHELE K. GUHL  
*Commissioner*

MARGARET A. MURRAY  
*Director*

**MEDICAID COMMUNICATION NO. 00-4      DATE: February 14, 2000**

**TO:** County Welfare Agency Directors  
New Jersey Care...Special Medicaid Program Supervisors  
NJ KidCare Liaisons

**SUBJECT:** 2000 Earned Income Credit Campaign

The Division is currently participating in the 2000 Earned Income Credit (EIC) Campaign. As in past years, the Department of Human Services is coordinating its outreach activities with the Association for Children of New Jersey, Public Service Electric & Gas Company, and the Internal Revenue Service (IRS). We appreciate your previous contributions to the effort and again seek your cooperation with this year's Campaign.

The Division of Family Development will be providing EIC materials to your agency for use in your mailings. In addition, attached is a limited supply of the EIC bilingual flyer explaining the benefit, which we are requesting be made available to individuals utilizing your hospital outstationing sites. We would also appreciate your including a flyer when mailing out applications for the NJ KidCare Program. The flyer provides basic information about the benefit and the IRS toll-free number to contact for further information. Once your initial supply is exhausted, we ask that you duplicate them as needed for further distribution.

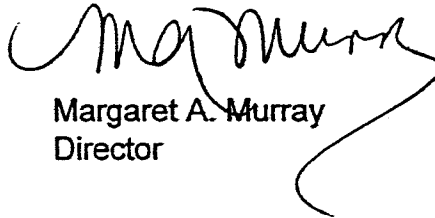
The Earned Income Credit is a special tax benefit for certain low-income persons who work full or part-time, reduces their federal tax liability and may or may not result in a payment to the taxpayer. Payments can be received as an advance from an employer or as a refund from the IRS. For purposes of Medicaid eligibility, EIC payments are considered to be exempt from income.

The EIC can provide up to \$2,312 in cash or a tax credit to married or single workers who have earned up to \$26,928 during 1999, and who have had one child reside with them for at least 6 months of the year. Families with two or more children who earned less than \$30,580 in 1999 may qualify for a credit of up to \$3,816. Foster parents may qualify if a child lived in the home for a full calendar year. In addition, a credit of up to \$347 is available to low-income workers between the ages of 25 and 64, without children, who earned less than \$10,200 in 1999.

In order to obtain the Earned Income Credit, an IRS tax form 1040 or 1040A must be filed along with a Schedule EIC. Individuals who are not raising children need only to file a tax return. In addition, Volunteer Income Tax Assistance (VITA) centers will be operating throughout the state to provide free assistance in completing the necessary tax forms. More information about the VITA sites is available by contacting the IRS toll-free number at 1-800-829-1040.

If you have any questions about this communication or the EIC benefit program, please contact Sandra Stangil, Office of Beneficiary and Provider Services, at (609) 588-2556.

Sincerely,



Margaret A. Murray  
Director

MAM:S

Attachments

c: Christine Grant, Commissioner  
William Conroy, Acting Deputy Commissioner  
Department of Health and Senior Services

David C. Heins, Director  
Division of Family Development

Charles Venti, Director  
Division of Youth and Family Services

# Give Your Paycheck a Boost!



*For information about how you can get the Earned Income Credit and free help filing your taxes, call the IRS at 1-800-829-1040.*

*Avoid refund delays! Be sure to provide the correct name and Social Security number for each person listed on your tax return.*

## *Claim Your Earned Income Credit*

**Get more from your regular paycheck!** The Earned Income Credit (EIC) is a special tax benefit for people who work full- or part-time. If you qualify, you'll owe less in taxes, and you may get cash back. Even if you don't owe income tax you can get the credit. But, you must file a federal tax return.

## *Who can get the Earned Income Credit?*

- Single or married workers who were raising children in their homes and who earned less than \$30,580 in 1999 can receive an EIC up to \$3,816 (or less than \$26,928 if they were raising only one child). File form 1040 or 1040A, and attach Schedule EIC.
- Single or married workers at least age 25 and under age 65, who were not raising children in their homes, and who earned less than \$10,200 in 1999. File any tax form.

**The EIC Advance Payment** option allows some workers who are raising children to get part of their EIC in their paychecks throughout the year and part in a check from the IRS after they file their tax return. Your EIC can help pay household bills and the cost of getting to work. A worker can get up to \$50 extra in each bi-weekly paycheck.

**To get EIC Advance Payments**, eligible workers give a Form W-5 to their employer. You can get the W-5 from your employer, or by calling the IRS at 1-800-TAX-FORM. Workers whose income or family circumstances change can become ineligible. They should stop taking EIC Advance Payments by providing their employer a new W-5 form marked "no".



# ¡Aumente Su Sueldo!



*Para recibir información sobre cómo recibir el Crédito por Ingreso de Trabajo y ayuda gratuita para declarar sus impuestos, llame al IRS al 1-800-829-1040.*

**¡Evite la demora de su devolución! Esté seguro de dar correctamente el nombre y número de Seguro Social de cada persona que se encuentra registrado en su formulario de impuestos.**



## **Exija su Crédito por Ingreso de Trabajo**

**¡Obtenga más de su salario regular!** El Crédito por Ingreso de Trabajo es un beneficio fiscal especial para gente que trabaja a tiempo completo o a tiempo parcial. Si usted califica, reducirán sus impuestos, y podría recibir dinero de vuelta. Incluso si usted no debe impuestos, puede obtener el Crédito EIC. Pero tiene que presentar una declaración de impuestos.

## **¿Quién puede recibir el Crédito por Ingreso de Trabajo?**

- Trabajadores solteros o casados que criaron a niños en su hogar, y que ganaron menos de \$30,580 en 1999 (o menos de \$26,928 si criaron a sólo un niño). Presente el Formulario 1040 o el 1040A e incluya el formulario llamado "Schedule EIC".
- Trabajadores solteros o casados que tenían entre 25 y 64 años de edad, que no criaron a niños en su hogar, y que ganaron menos de \$10,200 en 1999. Presente cualquier formulario de impuestos.

## **El Crédito Adelantado por Ingreso de Trabajo**

permite a aquellos trabajadores que son responsables por la crianza de sus hijos que obtengan parte de su EIC en cada quincena que perciba a través del año. La otra parte la recibirá en un cheque del IRS después que haya llenado y presentado el formulario anual de devolución de impuestos. Este crédito puede ayudarles a pagar sus gastos domésticos y los gastos de transporte a su trabajo. Un trabajador que califique puede recibir hasta 50 dólares (\$50) de más en cada quincena.

**Para recibir el Crédito Adelantado por Ingreso de Trabajo,** los trabajadores que califiquen deben presentar el Formulario W-5. Usted puede pedirle ese formulario a su patrona o la puede conseguir llamando a la oficina del IRS al teléfono 1-800-829-3676. Si en cualquier momento durante el año sus circunstancias familiares cambian usted puede ser considerado no elegible. Por lo tanto cuando esto ocurra es muy importante que llene un nuevo Formulario W-5 marcado "no" y debe entregárselo a su patrona para que se le dejen de pagar los pagos por adelantado.

